



# Department of Justice

**United States Attorney Joseph H. Hogsett  
Southern District of Indiana**

FOR IMMEDIATE RELEASE

Monday, October 31, 2011

<http://www.usdoj.gov/usao/ins/>

CONTACT: TIM HORTY

(317) 229-2409; Cell (317) 716-4250

[tim.horty@usdoj.gov](mailto:tim.horty@usdoj.gov)

## **UNITED STATES ATTORNEY HOGSETT ANNOUNCES CONVICTION OF FORT WAYNE WOMAN FOR HEALTH CARE FRAUD**

*Prosecution leads to recovery of more than \$300,000 in taxpayer dollars*

### **PRESS RELEASE**

INDIANAPOLIS - Joseph H. Hogsett, United States Attorney for the Southern District of Indiana, announced today that Kateen Morris, 44, of Fort Wayne, was sentenced to 12 months in prison and ordered to pay nearly \$400,000 in restitution to Hoosier taxpayers by U.S. District Judge William T. Lawrence following her guilty plea to health care fraud. Hogsett also announced that federal law enforcement agents have already recovered \$337,999.75 in ill-gotten gains from Morris as part of their investigation.

“Health care fraud adds billions of dollars in costs to taxpayers every year and severely burdens programs already under tremendous financial strain,” said Hogsett. “Today’s announcement is significant not just because of the amount of money involved, but more importantly because almost all taxpayer loss has been successfully recouped.”

Kateen Morris was a principal of both M & M Transportations (“M&M”) and K.A.T.S. LLC (“KATS”), two businesses which provided transportation services, including medical transportation for Medicaid beneficiaries in and around Fort Wayne. The patients transported by Morris’ companies were primarily people suffering from severe mental and physical disabilities.

In July 2008, Morris began billing Indiana Medicaid for the transportation services provided by M&M and later KATS. Beginning in October of 2008, Morris began running a fraudulent scheme which eventually resulted in nearly 5,000 false billing statements, effectively swindling Hoosier taxpayers out of \$394,213.63. Law enforcement seized \$337,999.75 in proceeds of the fraud from KATS LLC’s bank accounts, which will be used to repay Medicare and Medicaid.

“This punishment should serve as a powerful warning as to how seriously our office takes any allegation of government fraud or waste,” Hogsett added. “We will continue to work with our federal and state law enforcement partners to punish those who prey on Hoosier taxpayers and Medicaid patients with the full force of federal law.”

This case was the result of a 2 year investigation by the U.S. Department of Health and Human Services, Office of the Inspector General, Office of Investigations, along with the Federal Bureau of Investigation and the Indiana Attorney General's Medicaid Fraud Control Unit. It was prosecuted by Assistant United States Attorneys from the Southern District of Indiana due to prosecutorial recusal.

"The sentencing in this matter is yet another reminder that the Office of Inspector General is keeping a watchful eye out for those who would attack the Indiana Medicaid program", said Lamont Pugh III, Special Agent in Charge of the U.S. Department of Health and Human Services, Office of Inspector General's Chicago Region which includes the State of Indiana. "The OIG will continue to work diligently with our law enforcement partners to protect the State's most vulnerable citizens and the taxpayer's dollars."

According to Assistant U.S. Attorneys Bradley P. Shepard and Zachary A. Myers, who prosecuted the case for the government, Judge Lawrence also imposed 2 years supervised release following Morris's release from prison. In total, Morris was ordered to make restitution in the amount of \$394,213.63 to Medicaid and Medicare to repay the money she fraudulently obtained during the course of her scheme.

###

10\_31\_FortWayne.wpd